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Report of the Secretary-General

Addendum

Combating deforestation (chapter 11 of Agenda 21) and the Non-Legally Binding Authoritative Statement of Principles for a Global Consensus on the Management, Conservation and Sustainable Development of All Types of Forests*

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INTRODUCTION

1. The present report reviews progress made in the implementation of the objectives set out in chapter 11 of Agenda 21 (Combating deforestation)[1] and in the Non-legally Binding Authoritative Statement of Principles for a Global Consensus on the Management, Conservation and Sustainable Development of All Types of Forests (the Forest Principles)[2], taking into account the decisions taken by the Commission on Sustainable Development on these subjects at its third session in 1995, including the decision to establish the open-ended Ad Hoc Intergovernmental Panel on Forests under its aegis.

I. KEY OBJECTIVES

2. The Forest Principles constitute a non-legally binding "forest instrument", agreed upon at the United Nations Conference on Environment and Development, that provides a framework for the sustainable development of all types of forests worldwide, while recognizing the sovereign right of countries over their forest resources, as well as the right to manage their forest resources according to their own goals and policies.

3. Chapter 11 of Agenda 21 urges countries to develop forest strategies and concrete plans of action for sustainable forest development. Specifically, it refers to the Forest Principles and contains a comprehensive description of the various policy areas that can address deforestation and promote sustainable forest management. The recommended measures cover a broad range of actions and emphasize the importance of ensuring the participation of affected population and interested groups in these actions. The Forest Principles and chapter 11 are therefore regarded as providing a broad and balanced foundation for the conservation, management and sustainable development of all types of forests.

4. At its third session in April 1995, the Commission on Sustainable Development stressed the need to further assess actions already undertaken and, against that background, to propose options for further action. The need to sustain forests and to implement new sustainable forest management schemes was recognized as a major challenge. The Commission recognized that particular attention should be focused on the holistic approach towards environmental and developmental functions of forests; sustainable forest management; conservation of biological diversity; conservation of soil and water resources; restoration; forest products and services; and participation of major groups, particularly indigenous people and local communities. The Commission considered that further actions were required to improve the conservation and sustainable management of existing forests, to restore degraded forests and, where possible, to create new forests, including plantations, in order to reduce pressure on natural forests, and to increase wood supplies. In order to pursue consensus and formulation of coordinated proposals for such action, the Commission decided to establish an open-ended Ad Hoc Intergovernmental Panel on Forests, under its aegis. The key issues for priority action included 11 programme elements grouped in the following interrelated categories:

(a) Implementation of the United Nations Conference on Environment and Development decisions through the formulation and implementation of national forests and land-use plans taking into account sectoral and cross-sectoral linkages, causes of deforestation, traditional forest-related knowledge, restoration of ecosystems affected by desertification or pollution and needs of countries with low forest cover;

(b) International cooperation in financial assistance and technology transfer;

(c) Forest assessment and development of criteria and indicators for sustainable management;

(d) Trade and environment relating to forest products and services;

(e) International organizations and multilateral institutions and instruments including appropriate mechanisms.

II. AREAS OF PROGRESS

5. In view of the ongoing policy discussion in the ad hoc Intergovernmental Panel on Forests, the areas of progress have been organized around the structure of this debate. However, this report does not consider progress only in relation to the Panel, but covers a much wider area.

A. Implementation of United Nations Conference on Environment and Development decisions through national forests and land-use plans

6. Significant progress has been made during the last years at the planning and policy levels. In most countries, forestry and forest-related activities are undergoing radical and complex changes including in particular:

(a) Balancing the increased and more diversified demand on forest lands and forest services; integrating all stakeholders, including indigenous and local communities, community-based organizations, non-governmental organizations and the private sector, in the decision-making processes;

(b) Adapting to a new balance between the roles of government institutions and the private sector as well as to that involving central-level versus regional- and local-level institutions;

(c) Participating actively in the resolution of cross-sectoral issues, particularly those regarding land use, poverty, food security, energy needs and environmental protection.

7. Fifty developing countries have recently completed a strategic planning exercise and another 20 countries are currently engaged in such processes. The majority of these strategic planning processes are supported by external assistance including from the United Nations Development Programme (UNDP), the

Food and Agriculture Organization of the United Nations (FAO), the Asian Development Bank and several bilateral agencies. On its side, the World Bank supports policy formulation processes based on forest sector reviews. In addition, national environmental action plans and national sustainable development strategies which are formulated in several countries include some aspects of sustainable forest development.

8. In several industrialized countries, national strategies for sustainable forest management have recently been formulated and adopted by parliaments. National action plans have been outlined in some cases. A total of about 10 developed countries are engaged in such activities and another 10 countries are about to start similar processes.

B. International cooperation in financial assistance and technology transfer

1. Funding

9. According to chapter 11, of the estimated US$ 31.25 billion per year required for sustainable forest management, about US$ 25.58 billion per year must be raised domestically, and this is a daunting task for many countries. However, the richest countries in terms of forest resources and forest industries are demonstrating enhanced capacity and capability to raise additional revenues domestically through the selling of forest products and the collection of royalties and other forms of fees and taxes. The use of market-based instruments (MIBs) has been quite successful in these developed and developing countries in generating additional revenues and reducing the need to resort to fiscal means such as fees and charge systems.

10. In contrast, countries with limited forest cover, low per capita income and few forest-based industries are experiencing severe difficulties in trying to find domestic, private and public funding. In these countries, international cooperation is expected to play a critical role in financing the conservation and the sustainable management of forests. Forest sector official development assistance (ODA) increased from US$ 0.8 billion in 1988 to US$ 1.56 billion in 1994, but seems to have reached a plateau, despite the fact that it represents only 27 per cent of the international assistance needs of the forest sector as specified in chapter 11.

11. In some cases, ODA has been used successfully to leverage private sector investment. Innovative mechanisms for financing sustainable development such as joint implementation and debt-for-nature swaps, are applied. Most of these schemes have been proposed with the marketability of forest-dependent resources and services, including biodiversity and carbon sequestration, in mind.

12. Private capital flows into the forest sector have been rising and gaining in significance as a source of funding and are now five times greater than ODA. Several successful cases show that the partnership of an established traditional forest sector business with an emerging sustainable development enterprise can be an effective way to combine business capabilities and sustainable forest management and thus increase the likelihood of survival for the emerging

business. There are now reports of pioneering examples of a bilateral aid agency assisting in covering the environmental externality costs associated with the transition of an industrial business to sustainable forest management. In addition, there are cases of successful private sector participation in large-scale reforestation/reafforestation programmes.

2. Technology transfer

13. Progress has been made in technology transfer and capacity-building in the following priority areas: dissemination of information on how to improve land-use planning and improvement of forest yields; development and implementation of national forest strategies; technology and methods that could reduce environmental damages due to current forestry practices; species research for tree improvement for rehabilitation; reforestation and nursery development; new and renewable sources of energy; and environmentally sound logging technologies. However, areas such as trade in lesser-used species, valuation of forests and forest resources and traditional forest-related knowledge have received inadequate attention. There is also inadequate provision of equipment and facilities for trained scientists. Forest research is inadequate when measured against the significance of forests.

14. Transfer of technology from developed to developing countries takes different forms and involves private entrepreneurs, bilateral and multilateral assistance agencies, the Consultative Group on International Agricultural Research (CGIAR), regional research institutions, non-governmental organizations and foundations. Foreign investment in developing countries is often associated with a technology package, including training of experts and workers, management and marketing contracts, foreign equipment and patented technology. Examples of all these types of cooperation can be found in forest-based industries of several developing countries.

15. Sharing of experiences among developing countries has increased during the last years. This technical cooperation among developing countries (TCDC) and among countries in transition (TCCT) is strongly supported by United Nations organizations, in particular UNDP and FAO.

C. Forest assessment

16. A global framework for the global Forest Resources Assessment 2000 (FRA 2000) and the core set of definitions were agreed upon in an expert consultation organized by FAO in June 1996 in Kotka (Finland) with the European Community (EC), FAO and the United Nations Environment Programme (UNEP).

17. A basis of tested methods and data organization mechanisms is in place. The tools available include assessment based on analysis of existing reliable country information, sampling of high resolution satellite data, organization of existing reliable information using geographical information systems (GIS), questionnaires supported by a network of country correspondents and special studies undertaken by consultants or cooperating partners.

18. A strategy for FRA 2000 has been prepared by FAO, and inter-agency agreements are under consideration to facilitate cooperation and collaboration.

19. Much effort has been undertaken to increase national capacities in forest assessment in particular by FAO, the European Community and the International Union of Forest Research Organizations (IUFRO). More than 50 countries in the world have now established mechanisms and institutions for continuous national resources assessment.

20. Major initiatives such as the Africover Programme and the Land Cover/ Land-use Classification are under way through international partnerships agreements, paving the way for gathering of quality data, and better assessment of resources and monitoring of changes.

D. Criteria and indicators for sustainable forest management

21. Several international initiatives, undertaken a few years ago, to develop criteria and indicators for sustainable forest management (the Helsinki Process, the Montreal Process, the International Tropical Timber Organization (ITTO) Process) have followed up their actions towards implementation. Meanwhile new initiatives have been taken such as the Tarapoto Process, the Dry Zone of Africa initiative, and that in the Near East region. All these initiatives are considering criteria and indicators at the national level and some countries have already implemented these criteria and indicators for monitoring the sustainability of their forest management and development.

22. At the local level, some progress has been achieved in a limited number of countries. Forest management unit-level criteria and indicators have been tested under the coordination of the Centre for International Forestry Research (CIFOR) in a few temperate and tropical countries. Some countries have established forest management pilot projects which include the testing and implementation of forest management unit-level criteria and indicators. Countries with a long historical tradition in forest management, in particular in Europe, have introduced new criteria of sustainability in their forest management unit-level practices.

E. Trade in forest products

23. The Uruguay Round of multilateral trade negotiations has made significant progress in improving market access for forest products, especially in terms of reducing tariffs for all types of forest products. However, several initiatives taken to promote the attainment of sustainable management such as certification and labelling of forest products may be non-tariff barriers to international trade in forest products. These initiatives have been developed largely during the last two years; notable is the one developed by the Forest Stewardship Council which has also developed rules of accreditation for certifiers. Forest products market transparency and forest management cost internalization are two still unsolved issues. The World Trade Organization is continuing its work to ensure that trade and environment are mutually supportive in the area of forest products and services.

III. SUCCESSES AND PROMISING CHANGES

A. At the global and the regional level

24. The setting up of the Ad Hoc Intergovernmental Panel on Forests under the auspices of the Commission on Sustainable Development has allowed for substantial progress towards a more coordinated collaboration between international instruments and organizations. In order to ensure coherent support from the United Nations system, an informal Inter-Agency Task Force on Forests (IAFF) was formed under the chairmanship of FAO. The members are UNDP, UNEP, UNDP-Commission on Sustainable Development, FAO, ITTO, the World Bank and the secretariat of the Convention on Biological Diversity. Of these, the first five have seconded staff to the Secretariat, and each of the member organizations has assumed lead responsibility for one or more of the 11 programme elements of the Panel's work programme. This arrangement has enabled the United Nations Secretariat to draw effectively on the institutional capacity of organizations.

25. The Ad Hoc Intergovernmental Panel on Forests has greatly benefited from the outcome of an unprecedented number of Government-sponsored initiatives that have been carried out in support of the Panel's work and covering a broad range of forest issues, involving in many cases North-South co-sponsors and the creating of new partnerships between Governments. These initiatives have greatly contributed to increased understanding and consensus-building on key issues related to the Panel's mandate.

26. At the regional and the subregional level, many efforts have been made by countries to undertake common actions towards the development and implementation of common basic principles for the conservation, management and sustainable development of forests. The Central American Convention on Forests, the work of the Andean Pact, the African Timber Organization, the Southern African Development Community (SADC), and the Association of South-East Asian Nations (ASEAN), and the Pan-European resolutions are concrete examples of regional commitments.

B. At the national level

27. Much progress has been achieved in many countries regarding new forest policies, new legislation, institutional reorganization, redefinition of the role of the state, decentralization of forest management responsibilities, transfer of responsibility to communities and local groups, transparency of debates and participation in the decision-making process, as well as coordination and harmonization of actions within coherent, holistic and intersectoral strategic frameworks.

28. The importance of, and the perspectives on, forests are changing rapidly and often clash with the traditional forestry culture. There is an increased variety and intensity of competing ideas regarding "trees and forests for whom and for what". New consultative approaches have been launched in several countries in order to mediate among the diverse interests held by different stakeholders, and to build consensus. In addition, in several industrialized

countries forests are exposed to stresses that originate outside forest-related activities (atmospheric pollution).

29. Based on these developments, the concept of national forest programmes processes has been discussed by the Ad Hoc Intergovernmental Panel on Forests and is now viewed more extensively as a generic expression for a wide range of approaches to the process of planning, programming and implementing the sustainable development of forests in a given country.

30. Regardless of the approach adopted by individual countries, national forest programmes should be viewed as long-term iterative processes, and should be based on guiding principles recognizing the following key elements: national sovereignty and country leadership, consistency with national policies and international commitments, integration with the country's sustainable development strategies, partnership and participation, and holistic and intersectoral approaches.

IV. UNFULFILLED EXPECTATIONS: OBSTACLES TO OVERCOME

31. Despite the progress that has been made with regard to the level of awareness with respect to the adaptation of strategies and action plans on forests, several obstacles remain which can be grouped into four major categories described below.

A. Policy constraints

32. During its third session, the Commission on Sustainable Development called for further attention to the cross-sectoral factors that were the underlying causes of deforestation and degradation of forests such as production and consumption patterns, poverty, population growth, insufficient environmental education and knowledge, terms of trade, discriminatory trade practices and unsustainable policies and practices related to such sectors as agriculture, energy and trade as well as forestry.

33. Although some corrective actions have been attempted to alleviate pressures exerted on forest resources, rapidly growing populations, poverty, unsuitable land use, adverse incentives, and the impact of human activities associated with production and consumption patterns have continued to damage forests.

34. Therefore, correcting policies that distort forest uses should be a priority. The policies concerned should allow for full and transparent participation of all stakeholders. Strategies are needed to seek the views of groups and individuals that otherwise would be under-represented, such as those disadvantaged in terms of communications or socio-political power.

35. The difficulties encountered in many countries are due more to inconsistencies in or lack of implementation than to the non-existence of good policies. Therefore, the enforcement of legislation and the application of policy guidelines through appropriate means are a key element of success in combating deforestation and putting sustainable forest development into action.

A strong political commitment and a full integration of sustainable forest development goals and objectives within national sustainable development strategies are key elements for success.

B. Country capacity

36. Lack of country capacity is still a constraint for many developing countries. Capacity-building is therefore a key factor of progress. This capacity-building should be based on a clear definition of the roles and mandates of public sector institutions, the private sector and people's associations. Capacity-building should be conceived in a broad way. In particular, capacity-building for the private sector, non-governmental organizations and community-based organizations, whose role is increasing in the implementation of development activities, would result in an improved technical capacity and mechanism for participation and empowerment.

C. Investment and funding

37. National funding, as well as external funding through budgeting and partnership agreements, needs to be secured. Even Governments very often implement part of the investment programme through state enterprises and administrations, in particular in the field of institutional strengthening; investment programming should therefore focus especially on improving conditions for human and/or financial resources of private enterprises, local communities and individuals. This could be achieved by removing constraints and disincentives through the policy process and by introducing appropriate incentives through a decentralized investment programme. The incentive system should reflect the different time perspectives of individuals and society as well as the values placed by society on the different benefits of forests, and not only the commercial benefits.

D. International cooperation and coordination

38. A number of key issues and needs related to international cooperation can be addressed at the national, subregional, regional and global levels.

39. At the national level, it is important to establish a strong national leadership in donor coordination, and donor assistance should ideally be pooled to form larger financing packages (joint implementation arrangements and multidonor funds). In order to reduce pressure on limited human resources, the simplification and harmonization of donor procedures would be needed.

40. At the regional level, the mandates of several regional institutions and programmes should better focus on priority issues and these institutions should be strengthened through the establishment of appropriate legal instruments at the regional level.

41. At the global level, the improvement of collaboration between international agencies and institutions dealing with forests is essential. There are still

many overlappings between and gaps within the programmes and initiatives of some agencies especially as regards support to national forest programmes processes and field-level activities. The improvement of the coordination of existing international legal instruments dealing with forests is also needed to avoid potential future duplication of work and to tap synergies among instruments. Coordination and collaborative mechanisms with the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa[1] which enters into force in 1997 should also be established to better address the forest issues related to drylands. In order to facilitate this international coordination, the analysis of proposals made by various delegations during the sessions of the Ad Hoc Intergovernmental Panel on Forests suggests a broad, if not universal, support for the need for a high-level intergovernmental forum for policy coordination and dialogue on all types of forests.

V. EMERGING PRIORITIES AND RECOMMENDATIONS

42. The following priorities and recommendations are emerging from the Panel process discussions and will be discussed during the last session of the Ad Hoc Intergovernmental Panel on Forests in February 1997.

A. Implementation of forest-related decisions of the United Nations Conference on Environment and Development at the national and international levels, including an examination of sectoral and cross-sectoral linkages

43. Under this heading, priorities and recommendations comprise:

(a) The development, implementation and monitoring of national forest programmes or other policy frameworks within wider intersectoral policies and land-use plans;

(b) The financing of research, technology transfer and capacity-building activities to allow an integrated approach towards the formulation and application of national policy frameworks and the conducting of strategic analysis of relevant political, legal and institutional policies that have contributed to forest degradation and deforestation as well as of those that have had a positive effect.

B. International cooperation in financial assistance and technology transfer

44. Under this heading, priorities and recommendations comprise:

(a) The strengthening of financial assistance to the poorest countries;

(b) The development of actions to enhance private sector investment (appropriate regulations and incentives);

(c) The enhancement of the coordination, collaboration and complementarity of activities among bilateral and multilateral donors and among international instruments related to forests;

(d) The promotion of North-South and South-South cooperation in forest-related technology transfer through public and private sector investment, joint ventures, exchange of information and greater networking among forest-related institutions.

C. Scientific research, forest assessment and the development of criteria and indicators for sustainable forest management

45. Under this heading, priorities and recommendations comprise:

(a) The implementation of the Forest Resources Assessment 2000 with the inclusion of a broad range of forest values and a strong, efficient coordination and collaboration between forest and other related information systems;

(b) The development of a strategic framework for a global forest research network, making full use of existing organizations, and providing and implementing research on priority areas;

(c) The formulation and the implementation of national-level criteria and indicators for sustainable forest management and their use in promoting best available practices.

D. Trade and environment relating to forest products and services

46. Under this heading, priorities and recommendations comprise:

(a) The improvement of market access to forest products and services, including further reduction of tariff and non-tariff barriers to trade;

(b) The promotion of community-based processing and marketing of wood and non-wood forest products;

(c) The development and exchange of experiences in respect of the implementation of full cost internationalization and its application to sustainable forest management, and relevant policy mechanisms;

(d) The promotion of certification of forest products.

E. International organizations and multilateral institutions and instruments including appropriate legal mechanisms

47. Under this heading, priorities and recommendations comprise:

(a) The clarification of roles and mandates of international organizations;

(b) The enhancement of their cooperation and the removal of gaps and duplication;

(c) The creation of a high-level intergovernmental forum for policy coordination and dialogue on all types of forests.

Notes

[1] Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions Adopted by the Conference (United Nations publication, Sales No. E.93.I.8 and corrigendum), resolution 1, annex II.

[2] Ibid., resolution 1, annex III.

[3] A/49/84/Add.2, annex, appendix II.